GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA

UNSTARRED QUESTION NO:2399
ANSWERED ON:30.11.2016
CPI
Hegde Shri Anant Kumar Dattatreya;Reddy Shri Ch. Malla

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the consumer price index is found to be different in rural and urban areas across the country;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Consumer Price Index (CPI) for September has fallen to a 13 month low but over shadowed by the fall in the Index of Industrial Production (IIP) in August by 0.7 per cent for the second month; and

(d) if so, the corrective steps the Government is taking to spur the private investment?

Answer

MINISTER FOR STATISTICS AND PROGRAMME IMPLEMENTATION [SHRI D. V. SADANANDA GOWDA]

(a): Yes Madam.

(b): All India Monthly Consumer Price Indices (CPIs), for rural and urban sectors, compiled by the Ministry of Statistics and Programme Implementation, from January 2016 to October 2016 are given below:

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Table 1. All India Monthly CPI (General) for Rural and Urban
(Base Year 2012=100)

Year		Jan-uary	Febr-uary	March	April	May	June	July	August	Septem-ber	Oct-ober#
2016	Rural	128.1	127.9	128.0	129.0	130.3	131.9	133.0	133.5	133.4	133.8
	Urban	124.2	123.8	123.8	125.3	126.6	128.1	129.0	128.4	128.0	128.6

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The indices are different for rural and urban areas because of different composition of item baskets, different weighing diagrams and prices collected from different types of markets.

(c): Though All India Consumer Price Index (General) for the combined sector (rural and urban put together) for the month of September 2016 has not fallen to a thirteen month low, year on year inflation rate, based on this index, was the lowest (4.39%) for September 2016 during the same period. The interdependence of Growth of CPI and Index of Industrial Production (IIP) is very limited as the consumer goods have only 29.81% share (in terms of weights) in the basket of IIP. Therefore, it may not be appropriate to infer direct influence of IIP on CPI.

(d): The Government has been taking steps to boost industrial production and growth to increase private investment, which inter-alia include 'Make in India', initiative under which thrust sectors have been identified to provide a push to manufacturing in India, 'Startup India' initiative and 'Ease of Doing Business'. Steps taken to improve ease of doing business include simplification and rationalization of existing rules and introduction of information technology, setting up of Investor Facilitation Cell, launch of e-biz Portal and liberalizing policy for industrial license for defence industries. Foreign Direct Investment (FDI) policy and procedures have been simplified and liberalized progressively. Government has taken up a programme of building pentagon of industrial corridors across the country with an objective to provide developed land and quality infrastructure for development of Industrial Township.

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